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Mr. Kilpatrick

1. There are 5 stages and they are the put and take account, beginning investing, systematic, strategic investing, and speculative investing.
2. Temporary is to make money quickly by selling quickly but permanent is something you invest in intending for a long time.
3. People invest for fun, to beat inflation and to make money.
4. In rule 72 you Take the number 72 and divide by interest rate percentage, it is a rough estimate of how long it will take you to double your investment.
5. Risk is the chance that a n investments value will decrease. The greater the risk the greater the possible return the lower the risk the lower the return.
6. During inflation times there is interest rate risk, when The return of the investment will not keep up with the inflation rate.
7. Several criteria you can use to evaluate an investment are degree of safety, degree of liquidity, expected dividends or interest, expected growth in value, and tax benefits.
8. 7 wise investment practices are define financial goals, go slowly, follow through, keep good records, seek good investment advice, keep investment knowledge current, and know your limits.
9. 6 main sources of financial information are newspapers, investor services, newsletters, financial magazines, brokers, financial advisors, annual reports, and online investor education.
10. A discount broker takes a lower commission than a full service broker, but they do not give advice on what to do.
11. Online investment information can be found on online investor education centers.
13. Stocks are where you buy shares and are a partial owner of a company when bonds you give the company a loan and they pay you back.
14. Some advantages of a mutual fund are that you get professional management and diversification.
15. Futures and option are both high risk investments because the investor is betting that during the option period the price of the stock will rise. If it doesn’t they will lose money on their contact.